

HOP MARKETING ORDER OPPOSITION GROUP

Washington

Joe Champoux
Eric Desmarais
Marc Desmarais
Lee Desmarais
Patrick Favilla
Robert Favilla
Mike Gamache
Aaron Gamache
Dean Lenseigne
Leroy Lenseigne
Joseph Morrier
Stacy Puterbaugh
Martin Puterbaugh
Kevin Riel
Keith Riel
Steven Riel
Edward Shinn
Paul Signorotti
Richard Van Horn

Oregon

John Annen
Laura Annen
Jeff Butsch
Paul Fobert
Henry Geschwell
Billy Geschwell
Andy Kerr
Dick Kirk
Terry Kirk
Richard Kirk
Dean McKay
Mark McKay
Ben Smith
Monty Smith
Sam Smith
Chuck Stauffer
Doug Weathers
Jeff Weathers
Tony Weathers
Terry Weathers
Harley Weathers
Mark Wilmes

Idaho

Reed Batt
Mike Gooding
Greg Obendorf
Ann Obendorf
John Weilmunster

California

George Signorotti

HOP MARKETING ORDER OPPOSITION REPORT

DECEMBER 2002

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Docket Clerk
AMS Fruit and Vegetable Programs
Marketing Order Administration Branch
USDA Mail Stop 0237
1400 Independence Avenue SW
Washington, DC 20250-0201

December 20, 2002

Dear Mr. Yates:

Enclosed please find documents outlining opposition to the proposed hop marketing order. The Hop Marketing Order Opposition Group will act as the umbrella organization for growers opposed to the order. Signatures have been gathered in Washington State, Oregon, Idaho and California opposing the proposed order. In addition, please review an initial report prepared by Sparks Companies, Inc, a global agri-business specialist.

The growers who have signed this document, along with Anheuser-Busch, represent a minimum of 42% of the 2002 United States hop acreage.

We look forward to our scheduled meeting with you on January 9th to specifically discuss the proposed order.

Sincerely yours,

Hop Marketing Order Opposition Group

HOP MARKETING ORDER OPPOSITION GROUP

STATEMENT OF OPPOSITION

Mr. A.J. Yates
Administrator
Agriculture Marketing Services
December 17, 2002

“VIA REGULAR MAIL”

A. J. Yates, Administrator
Agriculture Marketing Services
United States Department of Agriculture
1400 Independence Avenue Southwest
Room 3071, STOP 0201
Washington, D.C. 20250-0201

RE: Hop Marketing Order

Dear Mr. Yates:

My clients are members of a much larger group that opposes the proposed Hop Marketing Order. The Proponent Committee has submitted a request to your office for an administrative hearing for the purpose of promulgating rules for a federal hop marketing order. The purpose of this letter is to alert you to the significant opposition to this proposal from within the United States hop industry.

The Proponents Committee would like the United States Department of Agriculture to believe that its proposal enjoys strong industry-wide support. This is simply not the case. The opposition to this proposal spans Idaho, Washington, Oregon, California and all types of growers.

Contrary to the proponents' claims, they do not have a "solid majority in excess of the two-thirds needed for approval." There are significant numbers of growers against the proposed order. The State of Idaho hop growers recently voiced "in the strongest terms possible" their opposition to the establishment of a hop marketing order. Many growers in Oregon and Washington are likewise strongly opposed. The Oregon Hop Growers Association recently mailed out ballots to all growers in that state to gauge support for a federal marketing order. The results of this ballot show significant opposition. In Washington, the proponents of the federal marketing order attempted last year to persuade the Washington Department of Agriculture to pass state regulations for a proposed hop set-aside program. While that proposed legislation enjoyed greater support among the hop industry than the current federal marketing order, it ultimately failed. (Please find enclosed the opposition's objections to the state proposal, along with the Washington State Department of Agriculture's final decision). It is important to recognize that a number of the hop growers that supported the proposed Washington State regulations are now *opposing* the current proposed federal marketing order.

The opposition group is numerous and diversified in its reasons for opposing the federal marketing order. While their reasons may be diverse, the group is strongly united in the principle that the federal marketing order is unacceptable. It is the intention of the opposition group to do everything legally within its power to stop the proposed federal marketing order. It is not this group's intention to try and change or modify the way the

Mr. A.J. Yates
Administrator
Agriculture Marketing Services
December 17, 2002

proposed order is written. The group is united in its belief that the federal government should not use its power to regulate the free market and the free enterprise of hop farming.

The opponents recognize that under certain conditions marketing orders have proven useful for agricultural producers. Unfortunately, the hop industry has been through three previous marketing orders that have all failed to achieve their goals. The failure of the last federal hop marketing order is still negatively impacting the growers today and is one of the historical bases for the current downturn in the global hop industry. Since the last order was terminated, the U. S. hop industry has undergone dramatic changes that make it all the more likely that the current proposed federal marketing order will likewise fail.

In addition to growers who speak out publicly against the proposed order, there are many others who will not openly commit to opposing the order because of political backlash from the proponents; however, the silent opposition will vote against the proposed order.

Due to the seriousness of this issue, the opponents' group has retained my services and has engaged an independent agricultural economist. If the proposal is allowed to go to hearing, the opponents will submit significant documentation in support of their opposition. Further, we will be submitting a number of well-founded legal arguments against the proposed order. Upon our initial review, it appears that the proponents' proposed marketing order violates fundamental constitutional principles as well as long-held principles in agricultural law.

We urge the U.S.D.A. to deny the proponents' request for an administrative hearing. The proposed order will only serve to further divide an already divided industry. It serves no purpose for the U.S.D.A. to waste precious resources on a fractured industry and a federal marketing order that is preordained to fail.

Respectfully,

OWENS, JAMES, VERNON & WEEKS P.A.

Leander L. James
Attorneys for: Puterbaugh Farms, Inc.,
Stacy Puterbaugh, R. Martin Puterbaugh,
Double "R" Hop Ranches, Inc., Kevin Riel,
Keith Riel, Steven Riel, Shinn and Son, Inc.,
Edward L. Shinn, G. S. Desmarais, L.L.C.,
George Eric Desmarais

Enclosures
LLJ/re

Mr. A.J. Yates
Administrator
Agriculture Marketing Services
December 17, 2002

The undersigned persons fully support and agree with the above, in particular the strong opposition to the proposed federal marketing order; however, the undersigned are signing this letter separately because they are not represented by Leander L. James or the firm of Owens, James, Vernon & Weeks, P.A

WASHINGTON STATE

Richard Van Horn
Steve Desmarais Ranches, Inc

Kevin Riel, Keith Riel and Steven Riel
Double "R" Hop Ranches, Inc.

Richard Van Horn
Van Horn Farms, Inc

Stacy Puterbaugh
Puterbaugh Farms, Inc

Marc Desmarais
Marc Desmarais Farms, Inc.

Joe Champoux
Champoux Farms, Inc.

Eric Desmarais
G.S. Desmarais, LLC

Mike Gamache
Amos Gamache Farms

Lee Desmarais
GLD Farms, Inc.

Patrick Favilla
Favilla Brothers, Inc

Dean & Leroy Lenseigne
Lenseigne Farms

Paul Signorotti
Golden Gate Hop Ranches, Inc.

Joseph Morrier
Morrier Ranches, Inc.

Edward L. Shinn
Shinn & Sons, Inc.

IDAHO

Reed Batt
Wilder Farms, Inc

Greg Obendorf
Obendorf Hop

Mike Gooding
Gooding Farms, Inc

John Weilmunster
Weilmunster Farms

Greg Obendorf
Greg & Ann Obendorf

Mr. A.J. Yates
Administrator
Agriculture Marketing Services
December 17, 2002

OREGON

John Annen
Annen Brothers Farms

Laura Annen
Abiqua Farms

Jeff Butsch
4B Farms

Paul Fobert
Fobert Farms

Paul Fobert
Heritage Farms

Henry Geschwell
Geschwell Farms

Billy Geschwell
F and B Farms

Andy Kerr
Capitol Farms

Dick Kirk
Kirk Hop Farms

Richard Kirk
Willamette Valley Hop Farms

Terry Kirk
T and J Kirk

Dean McKay
Dean McKay Farms

Mark McKay
Mark McKay Farms

Ben Smith
B and D Farms

Monty Smith
Weston Bend Farms

Sam Smith
Horseshoe Lake Farms

Chuck Stauffer
Stauffer Farms

Doug Weathers
Sodbuster Farms

Jeff Weathers
Finney Lake Farms

Tony Weathers
Willamette Mission Farms

Terry Weathers
Hopmere Farms

Harley Weathers
H and B Farms

Mark Wilmes
Wilmes Farms

CALIFORNIA

George Signorotti

**SPARKS COMPANY, INC.
SUPPORT DOCUMENTATION**
